IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF OKLAHOMA

FORUM US, INC., a Delaware corporation **Plaintiff,** **v.** **FLOW VALVE, LLC, an Oklahoma limited liability company** **Defendant.**	**Case No.** 17-495-HE

ORIGINAL COMPLAINT

Forum US, Inc. ("Forum" or "Plaintiff") files this Complaint against Flow Valve, LLC ("Flow Valve" or "Defendant") and alleges as follows:

Parties

1. Forum US, Inc. is a Delaware corporation with its principal place of business at 920 Memorial City Way, Suite 1000, Houston, TX 77024.

2. Defendant Flow Valve, LLC is an Oklahoma limited liability company with a principal place of business in Sulphur, Oklahoma.

Jurisdiction and Venue

4. These claims arise under the United States patent laws, 35 U.S.C. § 101, *et seq*. This Court has jurisdiction over these claims pursuant to 28 U.S.C. §§ 1331, 1338, 2201, and 2202. Defendant is subject to personal jurisdiction in this judicial district because Flow Valve has availed itself of the jurisdiction of this Court in connection with its claims against Forum and others in the related case of *Flow Valve,*

LLC v. Forum Energy Technologies, Inc. et al., Case No. 5:13-cv-01261-F ("the First Patent Suit"), regularly conducts business in this district, and has engaged in acts giving rise to this controversy in this district.

5. Venue is proper under 28 U.S.C. §§ 1391 and 1400(b) and pursuant to Fed. R. Civ. P. 13 because Defendant resides in this district pursuant to 28 U.S.C. §§ 1391(c)(2) and 1400(b) in that it is subject to personal jurisdiction in this district because it regularly conducts business in this district and availed itself of the jurisdiction of the Court in the First Patent Suit.

6. There is a justifiable controversy among Plaintiff and Defendant over the validity, enforceability, and infringement of United States Reissue Patent Number RE 45,878.

Factual Allegations

7. Flow Valve is the purported owner and assignee of United States Reissue Patent Number RE 45,878, entitled "Workpiece Supporting Assembly," ("the '878 Patent"), which issued on February 2, 2016 in the names of inventors Mark Nowell and Guy Lapointe. A true and correct copy of the '878 Patent is attached hereto as Exhibit 1.

8. The '878 Patent was a reissue of United States Patent No. 8,215,213 ("the '213 Patent"). Claims 1-13 of the '878 Patent are identical to the claims of the '213 Patent, and all of claims 1-13 require a workpiece machining implement with "a plurality of arbors." A true and correct copy of the '213 Patent is attached hereto as Exhibit 2.

9. The '878 Patent also includes new claims 14-20 that were not included in the '213 Patent. Flow Valve's patent prosecution counsel indicated in his deposition

during the First Patent Suit that new claims 14-20, which do not include the "plurality of arbors" limitations of claims 1-13, were drafted to cover fixtures used by Forum and at least one of Forum's vendors.

10. In the First Patent Suit, Flow Valve accused Forum and others of infringing one or more claims of the '213 Patent by making and using various workpiece supporting assemblies, or "fixtures," to machine the ends of pipe elbows for use in "swivels joints" and other products used by the oil industry.

11. Flow Valve's Complaint in the First Patent Suit was never amended to assert infringement of the '878 Patent, which issued shortly after the original close of discovery in the First Patent Suit. Upon issuance of the '878 Patent, the '213 Patent was surrendered pursuant to 35 U.S.C. §251.

12. Forum made only nominal use of a fixture with a plurality of arbors in early 2013. The patent claims from the First Patent Suit were resolved pursuant to a Settlement Agreement dated September 23, 2016. However, Defendant Flow Valve refused to release any claims related to claims 14-20 of the '878 Patent and the Settlement Agreement did not include a release related to claims 14-20 of the '878 Patent.

13. Flow Valve also asserted claims for misappropriation of trade secrets related to its fixtures in the First Patent Suit, accusing numerous fixtures of Forum and its vendor of incorporating Flow Valve's trade secrets. The Court granted Forum summary judgment on its statute of limitations defense on that claim. Flow Valve appealed that grant of summary judgment to the United States Court of Appeals for the 10th Circuit, where it is currently pending.

14. Claims 14-20 of the ‘878 Patent are invalid under 35 U.S.C. §251 because the claims violate the “original patent” requirement of section 251. Specifically, claims 14-20 do not include the limitation requiring “a plurality of arbors,” even though the only embodiment of Flow Valve’s purported invention taught in the ‘213 Patent had a plurality of arbors. Litigation counsel for Flow Valve, who was also patent prosecution counsel for Defendant Flow Valve for the ‘878 Patent, admitted that a fixture without a plurality of arbors was not expressly taught in the ‘213 Patent, but was, at most, implied by the specification of the ‘213 Patent. This is insufficient to satisfy the “original patent” requirement of section 251.

15. During the First Patent Suit and prior to the issuance of the ‘878 Patent, substantial “prior art” was produced and discussed at length in depositions. This prior art included a fixture used by Gonzales Machine Inc. in the 1990s (“the Gonzales Fixture”), numerous domestic and foreign patents and patent application publications related to fixtures, catalogs from Royal Machine & Tool Corporation, and “indexing chucks” used by Flow Valve and others prior to Flow Valve’s claimed conception of the invention covered by the ‘878 Patent. The prior art anticipates or renders obvious one or more claims of the ‘878 Patent. Moreover, there was testimony during the First Patent Suit that Mark Nowell derived the purported invention of the ‘878 Patent from the Gonzales Fixture.

16. Although inventor Guy Lapointe admitted to the materiality of this art during his deposition in the First Patent Suit, none of the art was submitted to the United States Patent Office (“USPTO”) by Flow Valve or its counsel during the prosecution of

the ‘878 Patent. This omission occurred even though Flow Valve’s failure to submit the art to the patent was brought to the attention of counsel for Flow Valve, who was also patent prosecution counsel for Flow Valve, in his deposition of June 2015, long prior to the issuance of the ‘878 Patent in February 2016. Nor was the claim that Mr. Nowell derived his purported invention from the Gonzales Fixture disclosed to the USPTO.

17. “Mistakes” were made by Flow Valve and its counsel in the drafting of several claims of the ‘878 Patent. Specifically, prosecution counsel and the inventors admitted in their depositions that in Flow Valve’s purported invention the elbows machined with Flow Valve’s fixtures are not positioned “against the internal surface” of the channel in those fixtures. Flow Valve’s counsel characterized the inclusion of these technical details in the pending patent claims as a substantive mistake that was not supported by the written description. Nonetheless, Flow Valve failed to correct these errors, and the ‘878 Patent issued with at least claims 16, 17, and 19 that cover fixtures or methods of using fixtures that Flow Valve knew were not its invention and that include flawed claim limitations that Flow Valve’s prosecution counsel admitted were not supported by the specification. Significantly, Defendant Flow Valve’s failure to correct these mistakes before the ‘878 Patent issued suggests that Flow Valve knowingly pursued claim coverage that was not directed at its invention and was not supported by the specification.

18. Mr. Lapointe also admitted in his deposition that he signed a declaration swearing that he had reviewed the new claims of the ‘878 Patent prior to their submission to the USPTO when, in fact, he had not reviewed the claims of the ‘878 Patent prior to

executing and submitting his declaration.

19. 35 U.S.C. § 252 provides that new claims of a reissue patent shall not affect the right of any person to use devices made or used prior the grant of the reissue patent. Thus, any of Forum's fixtures that existed as of February 2, 2016, at the time of the issuance of the '878 Patent, would enjoy absolute "intervening rights."

20. In light of the anticipated turnaround for the domestic oil and gas industry, Forum is experiencing increasing demand for swivel joints and has a need to increase production of elbows for such swivel joints. Accordingly, Forum plans to begin using additional fixtures that Forum anticipates Flow Valve will allege are covered by one or more of Claims 14-20 of the '878 Patent, patent claims that Forum believes are invalid and unenforceable and not infringed by Forum's fixtures. Forum has made meaningful preparation to produce such fixtures by settling on a design for such fixtures that is similar to fixtures that were constructed before the '878 Patent issued. These new designs, along with Flow Valve's prior claims in the First Patent Suit and its refusal to release any claims related to claims 14-20 of the '878 Patent in the Settlement Agreement, give Forum a reasonable apprehension of an infringement suit.

First Cause of Action - Declaratory Judgment of Patent Invalidity

21. Forum repeats and realleges each and every allegation contained in paragraphs 1-20 above as if fully set forth herein.

22. Upon information and belief, the claims of the '878 Patent are invalid and/or unenforceable for failure to meet the requirements of one or more sections of

Title 35, United States Code, and Title 37, Code of Federal Regulations, including, but not limited, to the requirements set forth in 35 U.S.C. §§ 101, 102, 103, 112, 115, 251, and/or 282.

23. By reason of Flow Valve's previous assertions of infringement of claims 1-13 of the '878 Patent, Flow Valve's refusal to include claims 14-20 of the '878 Patent in the settlement agreement, Flow Valve's indication that claims 14-20 were drafted to cover fixtures used by Forum and its vendor, Forum's meaningful steps toward manufacturing additional fixtures to increase capacity, and Forum's assertion that at least claims 14-20 of the '878 Patent are invalid, a justiciable controversy exists between Forum and Flow Valve with respect to Forum's assertion that the '878 Patent is invalid for failure to satisfy the conditions for patentability set forth in 35 U.S.C. §§ 101, 102, 103, 112, 115, 251 and/or 282.

24. Plaintiff Forum has no adequate remedy at law.

25. By reason of the foregoing, Forum seeks a declaratory judgment that at least claims 14-20 of the '878 Patent are invalid.

Second Cause of Action - Declaratory Judgment of Unenforceability

26. Forum repeats and realleges each and every allegation contained in paragraphs 1-1-25 above as if fully set forth herein.

27. The '878 Patent is wholly unenforceable by reason of the inequitable conduct of those individuals associated with the filing and prosecution of the '878 Patent who had a duty of candor and good faith in dealing with the USPTO. This duty includes an obligation to disclose to the USPTO all information known to an applicant that may

have been material to the patentability of any claim that was pending in the application that became the '878 Patent, as required by 37 Code of Federal Regulations § 1.56, as well as the duty to avoid misleading and false statements that could not have been made if all material information relative to patentability had been disclosed.

28. Flow Valve engaged in inequitable conduct by failing to disclose known prior art to the USPTO that was related and material to the prosecution of the '878 Patent. Specifically, such prior art, includes, but is not limited to:

(a) The Gonzales Fixture;

(b) Indexing chucks, used by Flow Valve and others prior to its conception of its purported invention;

(c) domestic and foreign patents and patent application publications identified by Forum to Flow Valve in the First Patent Suit; and

(d) The Royal Machine & Tool Corporation Power Chuck catalog and Hydraulic and Manual Fixtures catalog.

29. Flow Valve failed to make the Gonzales Fixture, indexing chucks, or the Royal Machine & Tool catalogs of record with the USPTO during the prosecution of the ‘878 Patent even after the failure to do so was brought to the attention of Flow Valve’s patent prosecution counsel during his deposition in the First Patent Suit.

30. The prior art references described in Paragraph 28 are material to the '878 Patent because, for example, they include workpiece supporting assemblies for rigidly supporting an elbow during a machining process, the workpiece supporting assembly comprising a body having an internal surface defining a channel sized to receive a medial

portion of an elbow and support adjustment bolts to secure the elbow in the channel. The USPTO would not have allowed claims 14-20 had it been aware of the prior art that Flow Valve did not submit to the USPTO.

31. The prior art references described in Paragraph 28 are not cumulative to other prior art that was before the USPTO during the prosecution of the ‘878 Patent.

32. The named inventors and their counsel intentionally withheld the prior art references described in Paragraph 28 from the USPTO. An intent to deceive is the single most reasonable inference to be drawn from the evidence based on the materiality of the art and the fact that its non-disclosure was brought to the attention of Flow Valve’s counsel during his deposition and prior to the issuance of the ‘878 Patent.

33. Flow Valve also failed to notify the USPTO that at least claims 16, 17, and 19 of the ‘878 Patent did not identify Flow Valve’s purported invention and Flow Valve refused to amend those claims to properly reflect Flow Valve’s purported invention.

34. Guy Lapointe, one of the named inventors, falsely represented to the USPTO in a sworn declaration that he had reviewed claims 14-20 of the ‘878 Patent. Mr. Lapointe admitted in his deposition in the First Patent Suit that that was representation was false. The filing of an unmistakably false affidavit qualifies as affirmative egregious misconduct which alone constitutes inequitable conduct.

35. Based on Flow Valve's knowing omissions and misrepresentations that were material to the patentability of the claims in the '878 Patent, Flow Valve engaged in inequitable conduct, which renders all claims of the ‘878 Patent, not just the new claims, wholly unenforceable.

36. Plaintiff has no adequate remedy at law.

37. By reason of the foregoing, Forum seeks a declaration that all of the claims of the ‘878 Patent are unenforceable. Forum further seeks a declaration of unenforceability for any patents or patent applications that are related to the ‘878 Patent.

38. In light of Flow Valve’s inequitable conduct, this is an exceptional case under 35 U.S.C. § 285, and Forum should be awarded its costs and attorneys’ fees.

Third Cause of Action - Declaratory Judgment of Non-Infringement

39. Forum repeats and realleges each and every allegation contained in paragraphs 1-38 above as if fully set forth herein.

40. Flow Valve is the purported owner of the ‘878 Patent and its counsel indicated during the First Patent Suit that claims 14-20 of the ‘878 Patent were drafted to cover fixtures used by Forum and its vendor. While fixtures existing before the issuance of the ‘878 Patent are entitled to absolute intervening rights pursuant to 35 U.S.C. § 252, any new fixtures built after the issuance of the ‘878 Patent would only be entitled to equitable intervening rights.

41. By reason of Flow Valve’s claims regarding the scope of claims 14-20 and Forum’s plans to use additional fixtures not entitled to absolute intervening rights, a justiciable controversy exists between Forum and Flow Valve.

42. Moreover, to the extent that Flow Valve denies that absolute intervening rights apply to any of Forum’s fixtures in existence prior to the issuance of the ‘878 Patent, there is an additional justiciable controversy between Forum and Flow Valve.

43. Plaintiff Forum has no adequate remedy at law.

44. By reason of the foregoing, Forum seeks a declaration that they do not infringe any valid claims of the ‘878 Patent, that absolute intervening rights prevent a claim of infringement against any fixtures existing at the time that the ‘878 Patent issued, and that Flow Valve be enjoined from further charging or threatening to charge Forum with infringement of the ‘878 Patent.

DEMAND FOR JURY TRIAL

45. Plaintiff Forum hereby demands trial by jury of all issues so triable.

PRAYER FOR RELIEF

WHEREFORE, Forum US, Inc. hereby prays for judgment in their favor and an order:

1. Declaring that at least claims 14-20 of the ‘878 Patent are invalid;
2. Declaring that all claims of the ‘878 Patent are unenforceable;
3. Declaring that all claims of any patent or patent application related to the ‘878 Patent are unenforceable;
4. Declaring that the ‘878 Patent is not infringed by Forum through the making, using, selling and/or offering for sale of any products nor have Forum induced others to infringe, or contribute to the infringement of any claims of the ‘878 Patent;
5. Awarding costs to Forum;
6. Declaring that this is an exceptional case under 35 U.S.C. § 285 and all other applicable statutes, rules and common law, and awarding Forum its costs and attorneys’ fees incurred in this action; and

7. Granting to Plaintiff Forum such other and further relief as this Court deems just and proper.

Dated: April 28, 2017

Respectfully submitted,

/s/ David M. Sullivan
David M. Sullivan, OBA #18851
Tynia A. Watson, OBA #30765
CROWE & DUNLEVY
A Professional Corporation
20 North Broadway
Suite 1800
Oklahoma City, OK 73102-8273
(405) 234-3236
(405) 272-5926 (Facsimile)
david.sullivan@crowedunlevy.com
tynia.watson@crowedunlevy.com

Keith Jaasma
EWING & JONES, PLLC
Texas State Bar No. 00794014
Email: kjaasma@ewingjones.com
6363 Woodway Drive, Suite 1000
Houston, Texas 77057
(713) 590-9675
(713) 590-9602 (facsimile)

COUNSEL FOR FORUM US, INC.